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Idaho Transportation Department

Today's News Briefs

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Rising gas prices are driving many of us to extremes

SEATTLE — Why the Puget Sound area pays more at the pump? Consumers feeling squeezed by gas prices are queuing up at Costco pumps, cruising Web sites for the lowest prices and buying gadgets to coax more miles from their tanks.

While all this may be emotionally satisfying, experts say the efforts are, alas, mostly futile.

"We can be a penny under the lowest price in town and see a significant increase in volume," said Paul Latham, Costco's vice president for U.S. gasoline operations. Costco has 12 sites in Western Washington that sell gas.

If people made a reasoned judgment, Latham said, some probably wouldn't travel to Costco for gas. But there is "an irrational sensitivity to gas prices." People will drive out of their way to save 2 cents a gallon, but won't think twice about buying an extra latte, he observed.

Take GasBuddy.com, a Web site that relies on consumers to post the latest gas prices in their communities. The idea is to steer users to the cheapest gas and, by extension, punish stations that charge the most. According to co-founder Jason Toews, the site currently attracts about 500,000 new visitors a week, up from about 75,000 visits a year ago.

In theory, this is a fine idea. In practice, it can be self-defeating.

Sticking to streets you'd normally travel is the key to making sites like GasBuddy truly valuable, because savings are quickly squandered if you go too far out of your way.

Dang Nguyen, 30, Renton, is a participating member and uses it the right way. He said he's seen fluctuations of as much as 15 to 20 cents per gallon in the South Seattle area, and that the site has saved him money.

"I look to find the best place on my route," said Nguyen, who said he typically drives between 45 and 50 miles a day traveling from Renton to Federal Way in a 1994 Toyota Camry.

Consumers should do math

Another Web site — a calculator at Bankrate.com: www.bankrate.com/brm/calc/gasPrice.asp — helps drivers figure out actual dollar savings by factoring in extra miles they might travel for cheaper gas. But the calculator does not account for the value of your time, said Doug MacIntyre, senior oil-market analyst with the Energy Information Administration, a part of U.S. Energy Department.

If it takes you an extra 15 minutes round-trip to get gas 5 cents a gallon cheaper, for example, you save \$1 to fill your 20-gallon tank. However, you are pricing your time at \$4 an hour, said MacIntyre. Minimum wage in Washington is \$7.16.

Another measure of cost-effectiveness is the federal reimbursement rate, says Mark Hallenbeck, director of the state Transportation Center at the University of Washington's College of Engineering.

Government employees get a 38-cents-per-mile reimbursement for on-the-job travel to cover auto costs, including depreciation, insurance and normal wear and tear.

Hallenbeck suggests consumers subtract 38 cents from the savings on every extra mile they drive for cheaper prices to determine if they are indeed saving money.

Tim Hamilton, an Olympia-based oil-industry consultant who works with gas-station dealers and consumer groups, including the Foundation for Taxpayers & Consumer Rights (see www.consumerwatchdog.org), said the motivation behind sites like GasBuddy.com is admirable, but there's no guarantee the prices uploaded will still be accurate when you get to the pump.

Perhaps more significant, a consumer's decision to "discipline" a higher-priced gas station by buying cheaper elsewhere has no impact on wholesalers, who have far greater control over pump prices, Hamilton said.

His conclusion: Consumers are not really "sending a message" to Big Oil by filling up at Costco or Safeway — retailers among the cheapest at Seattlegasprices.com, one of GasBuddy.com's regional sites.

The fact is, gas consumption has gone up at the same time prices have, Hamilton said.

Steer clear of gizmos

Consumers also are spending more money on products that claim to boost mileage, despite questions

about their effectiveness.

Chris Grundler, head of the Environmental Protection Agency's National Vehicle and Fuel Emissions Laboratory in Ann Arbor, Mich., said "high gas prices tend to bring out more of these products and these claims on how to improve your fuel economy, and buyers really need to beware about those claims."

Among the devices with rising sales is the \$69.95 "Tornado," which attaches to an engine's fuel-injection system or carburetor. It claims to boost gas mileage by creating a "vortex, or swirling effect" to improve combustion.

Jay Kim, president of Santa Fe Springs, Calif.-based Tornado Air Management, said the Tornado, which he said is sold at NAPA and PepBoys stores, soon will receive much wider distribution based on increased demand.

Kim made only modest claims about the product, saying it will add one to two miles per gallon, though the product's Web site features a "proven results" section that lists several car makes that supposedly saw mileage improvements of more than 20 percent.

The EPA's Grundler said his unit has tested more than 100 such devices, "and we came to the conclusion that they don't work.

"The idea that you can bolt something on to a pretty sophisticated machine and improve its gas performance is not common sense," he said.

Meantime, Mark Merritt, a spokesman for CSK Auto, the largest auto-supply chain in the West, said there has been "consistent growth" in sales of fuel additives this year. That includes gas treatments, fuel-injector cleaners and fuel-system cleaners, Merritt said.

The Federal Trade Commission has taken numerous enforcement actions against manufacturers of fuel additives for making what the government maintains are deceptive claims about better mileage. All actions resulted in settlements in which the companies agreed to quit making bogus claims, according to FTC spokeswoman Claudia Farrell.

"Consumers shouldn't be fooled," said Howard Beales, the commission's director of consumer protection.

"If there was a product out there that significantly increased gasoline mileage, believe me, we'd all know about it."